

PURCHASING & PROCUREMENT

OVERSIGHT COMMITTEE (PPOC)

IDA Conference room – 6th Floor – Ruppert Sargent Building

September 19, 2012

Call to Order – Michael Graves, Chairman, called the meeting to order at 12:30 p.m.

Committee Member Attendance: A roll call was taken by Jessica Spencer

Members Present - Michael Graves, Chairman; James Crocker, Lauren Yee, Vice Chair; Willie Brown, Teresa Walker, Crystal Kleiber, Eddie Deerfield, Eugene Johnson, Dave Pearson, and Vice Mayor George Wallace

Members Absent – Martin Cross

Staff and Citizen Attendance:

Legal Representation: Karen James, Deputy City Attorney

Staff Present: Jessica Spencer, Arnelia Hancock, Doris McRae, Denise Howard, Suzy Scott, Octavia Andrew, Dr. Victor Hellman, Karl Daughtrey, and Brenda Bailey (recorder)

Citizens in Attendance: Edwin Boone (Sunshine Carpet Cleaning)

Approval of Minutes: The minutes of the May 16, 2012 meeting were unanimously approved as submitted.

Old Business

Executive Summary – Mr. Graves asked for explanation as to why percentages went up or down from 3rd quarter FY11. Ms. Spencer responded that city reports reflect some purchase orders were not issued and some purchase order amounts were less than anticipated. Mr. Graves indicated that it would have been good if the summary included the questions from the small business survey.

Membership - Ms. Spencer announced that City Council formally re-appointed Vice Mayor George Wallace to the committee and that the School Board had formally re- appointed Dave Pearson to the committee. Ms. Spencer announced the new employee, Brenda Bailey, who gave an introduction of herself.

New Business

City Reports – Ms. Denise Howard provided handouts and reviewed *City of Hampton Purchasing and Procurement Oversight Committee Statistical Report for Quarter Ended June 30, 2012*. Mr. Johnson questioned percentage increases on minority purchase orders issued. Ms. Howard responded those explanations will be in the following pages. Mr. Graves asked what type of service does Webineer

perform? Ms Howard responded that they provide web services. Mr. Brown questioned what is purchased with credit cards? Mr. Daughtrey explained credit cards are used for small purchases such as office supplies, maintenance costs, one-time repairs, and expenses. Mr. Deerfield remarked that there was a 20% increase in minority-owned businesses getting work in Hampton. Ms. Howard continued her report informing the group about the category goals. Mr. Brown asked if the goals are set too high or are there not enough vendors to meet the goals? Mr. Daughtrey responded these goals were set in 2006. Mr. Brown asked if the goals will ever be met. Ms. Spencer responded that it is difficult to determine because one doesn't know if the availability is the same today as it was when the Study was completed. The City of Hampton is reaching out to firms trying to get bids and the response rate is still low. In four years the bid response rate is still around 2-3% . The effort is being made but the response rate is not increasing. Mr. Wallace asked if the 2009 figure is correct for credit card purchases. Ms. Howard responded that she has double-checked the figure and she will triple-check the figure just to make sure. Ms. Yee questioned why the credit card usage is skewed so high? Ms. Howard confirmed she will check it again. Mr. Johnson mentioned that Hampton vendors are doing well. Mr. Brown mentioned that Finance is doing a good job with the data from their department.

Compliance Reports - Ms. Arnelia Hancock passed out handouts and reviewed the compliance reports starting with expenses under \$100,000. Mr. Brown mentioned that goals are being set but not being reached because vendors are not responding. Ms. Spencer responded that because of the study recommendations, we need to demonstrate that notifications are being sent out and an effort is being made to reach minority vendors. Mr. Brown asked if we are sending the wrong information to the wrong people and they are listed as a type of business but doesn't actually do that type of work? Ms. Spencer explained that what is sent out is information on the entire project to those firms that do that type of work and others that might benefit from sub-contracting work. Mr. Wallace summarized that providing opportunities is the goal. It is better to provide the opportunity and allow the vendor to make the decision instead of not providing the opportunity and the vendor was interested but was not made aware. Mr. Pearson agrees we are safer providing broad categories and casting a wider net to allow vendors to determine if they are able to provide any of the services mentioned. Ms. Walker asked if the searches are done by code or key words. Ms. Hancock responded that she searches by key words.

Ms. Hancock then reviewed the compliance reports over \$100,000. Mr. Graves asked how does the over \$100,000 report percentages compare to last years? Ms. Hancock responded the reports being presented today only represent the first quarter's figures. There were no further questions from the committee.

Departmental Small Purchases Report - Ms. Spencer reviewed the handout in the meeting packet. Mr. Graves noted that the report comparing FY11 to FY12 shows a decrease in small purchases. Ms. Yee questioned if there was any analysis to explain the decrease. Ms. Spencer explained that the reporting includes dollar values by each Department but not the types of purchases made. Mr. Wallace asked for a definition of small purchases to which Ms. Spencer responded any purchase under \$9,999.99. Mr. Pearson questioned if there were certain departments with any significant decrease that would contribute to the total? Ms. Spencer responded that highlighted departments had greater utilization of minority and women-owned purchases. Ms. Spencer will modify the report to include a graph. Mr. Deerfield pointed out that the percentages are good and they are still going up so that's good even though the overall purchases are low. Mr. Johnson mentioned that it's because it's a smaller pot and Ms. Spencer agreed that the total dollars spent have decreased.

Announcements – Ms. Spencer mentioned that Larry Wright, with the DMBE, has been working with companies that have been having difficulty finding work. Larry assisted Fast Break Contractors, located in downtown Hampton, to put together their packet for inclusion on a prequalification list for the Department of General Services, which gives the company a great opportunity to get work. Mr. Wright has worked with Gilliam Welding out of Hampton with developing a relationship with an area contractor, who does dock and boat work. He continues to assist companies with the certification and recertification process.

Ms. Spencer announced that a committee member, Martin Cross was being recognized by Inside Business for “Fabulous 40 under 40”.

Public Comments – Edwin Boone, Sunshine Carpet & Upholsters Cleaning - Mr. Boone requested a copy of the meeting packet so he can be apprised of all the information the committee is discussing. He also mentioned a city bid that he couldn't get because he needed additional workman's comp insurance and he doesn't have that extra money. He stated that he needs to participate in smaller jobs and smaller purchases to clean carpets. Mr. Boone informed the group that he had spoken with Arnelia (Ms. Hancock) in Economic Development, who helped him with the bidding process.

Adjournment – There being no further business, the meeting adjourned at 1:27pm.